

**PERRY COUNTY EMERGENCY  
COMMUNICATIONS DISTRICT**

**(A Component Unit)**

Financial Statements

June 30, 2009

# PERRY COUNTY EMERGENCY COMMUNICATIONS DISTRICT

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## INTRODUCTORY SECTION

# **PERRY COUNTY EMERGENCY COMMUNICATIONS DISTRICT**

## **Board of Directors**

**June 30, 2009**

<u>Official</u>	<u>Office</u>
Gary Rogers	Chairman
Harold Mercer	Director
Janet Carroll	Director
Charles Hendrix	Director
Jarrod Richardson	Director
Phillip Seiber	Director
Donnie Overton	Director
Nick Weems	Director
Joel Plunkett	Director

## **FINANCIAL SECTION**

**JOHN R. POOLE, CPA**  
**CERTIFIED PUBLIC ACCOUNTANT**

134 NORTHLAKE DRIVE  
HENDERSONVILLE, TN 37075

(615) 822-4177

**INDEPENDENT AUDITORS' REPORT**

Board of Directors  
Perry County Emergency Communications District  
Linden, Tennessee

I have audited the accompanying financial statements of Perry County Emergency Communications District, a component unit of Perry County, Tennessee for the year ended June 30, 2009, as listed in the table of contents. These financial statements are the responsibility of Perry County Emergency Communications District's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted the audit in accordance with generally accepted auditing standards of the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that the audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Perry County Emergency Communications District, a component unit of Perry County, as of June 30, 2009, and the results of its operations and the cash flows for the year ending June 30, 2009 in conformity with generally accepted accounting principles of the United States of America.

In accordance with *Government Auditing Standards*, I have also issued my report dated July 31, 2009, on the consideration of Perry County Emergency Communications District's internal control over financial reporting and the tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreement and other matters. The purpose of that report is to describe the scope of the testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of the audit.

Management's discussion and analysis is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. I have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, I did not audit the information and express no opinion on it.

The audit was conducted for the purpose of forming an opinion on the financial statements of Perry County Emergency Communications District, a component unit of Perry County, taken as a whole. The Introductory Section and the accompanying supplemental schedules in the table of contents, including the Schedule of State Financial Assistance, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and in my opinion is fairly stated in all material respects in relation to the financial statements, taken as a whole.

*John R. Poole, CPA*

July 31, 2009

## **Perry County Emergency Communications District**

### **Management's Discussion and Analysis**

As management of the Perry County Emergency Communications District, (the District) we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2009. The analysis focuses on significant financial position, budget changes and variances from the budget, and specific issues related to funds and the economic factors affecting the District.

Management's Discussion and Analysis (MD&A) focuses on current year activities and resulting changes.

#### **Financial Highlights:**

The assets of the Perry County Emergency Communications District exceeded its liabilities at the close of the most recent fiscal year by \$568,197. Of this amount, \$436,854 (unrestricted net assets) may be used to meet the District's ongoing obligations.

The District's total net assets increased by \$61,062 during the current year, primarily as a result of higher grant receipts than expected and keeping expenses within total expense appropriations.

#### **Overview of the Financial Statements:**

The Statement of Net Assets presents information on all the District's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The Statement of Activities presents information showing how the District's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

The basic financial statements can be found on pages 6-8 of this report. The notes provide additional information that is essential to a full understanding of the data provided in the financial statements. The notes to the financial statements can be found on pages 9-11 of this report.

### **Financial Analysis of the Financial Statements**

As noted earlier, net assets may serve over time as a useful indicator of the District's financial position. In the case of the Perry County Emergency Communications District, assets exceeded liabilities by \$568,197 at the close of the most recent fiscal year.

By far the largest portion of the District's assets reflects its investment in capital assets. The District uses these capital assets to provide services to its customers; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

### **Financial Analysis of the Financial Statements**

#### **Perry County Emergency Communications District's Net Assets - 2009**

Current assets	\$ 437,898
Capital assets, net	<u>131,343</u>
Total assets	<u>569,241</u>
Accounts payable	<u>1,044</u>
Total liabilities	<u>1,044</u>
Net assets:	
Invested in capital assets	131,343
Unrestricted	<u>436,854</u>
Total net assets	\$ <u>568,197</u>



Perry County Emergency Communications District's Net Assets - 2008

Current assets	\$ 333,793
Capital assets, net	<u>174,386</u>
Total assets	<u>508,179</u>

Accounts payable	<u>1,044</u>
Total liabilities	<u>1,044</u>

Net assets:	
Invested in capital assets	174,386
Unrestricted	<u>332,749</u>
Total net assets	\$ <u>507,135</u>

At the end to the current fiscal year, the District is able to report positive balances in all categories of net assets.

### Capital Asset

#### Capital Assets

The Perry County Emergency Communications District's investment in capital assets from its activities at June 30, 2009, amounts to \$131,343 (net or accumulated depreciation). This investment in capital assets is in communications equipment and vehicles.

#### Perry County Emergency Communications District's Capital Assets

	<u>2009</u>	<u>2008</u>
Vehicles	\$ 20,000	20,000
Communication equipment	<u>379,113</u>	<u>374,818</u>
Total	399,113	394,818
Less accumulated depreciation	<u>(267,770)</u>	<u>(220,432)</u>
Net Capital Assets	\$ <u>131,343</u>	<u>174,386</u>

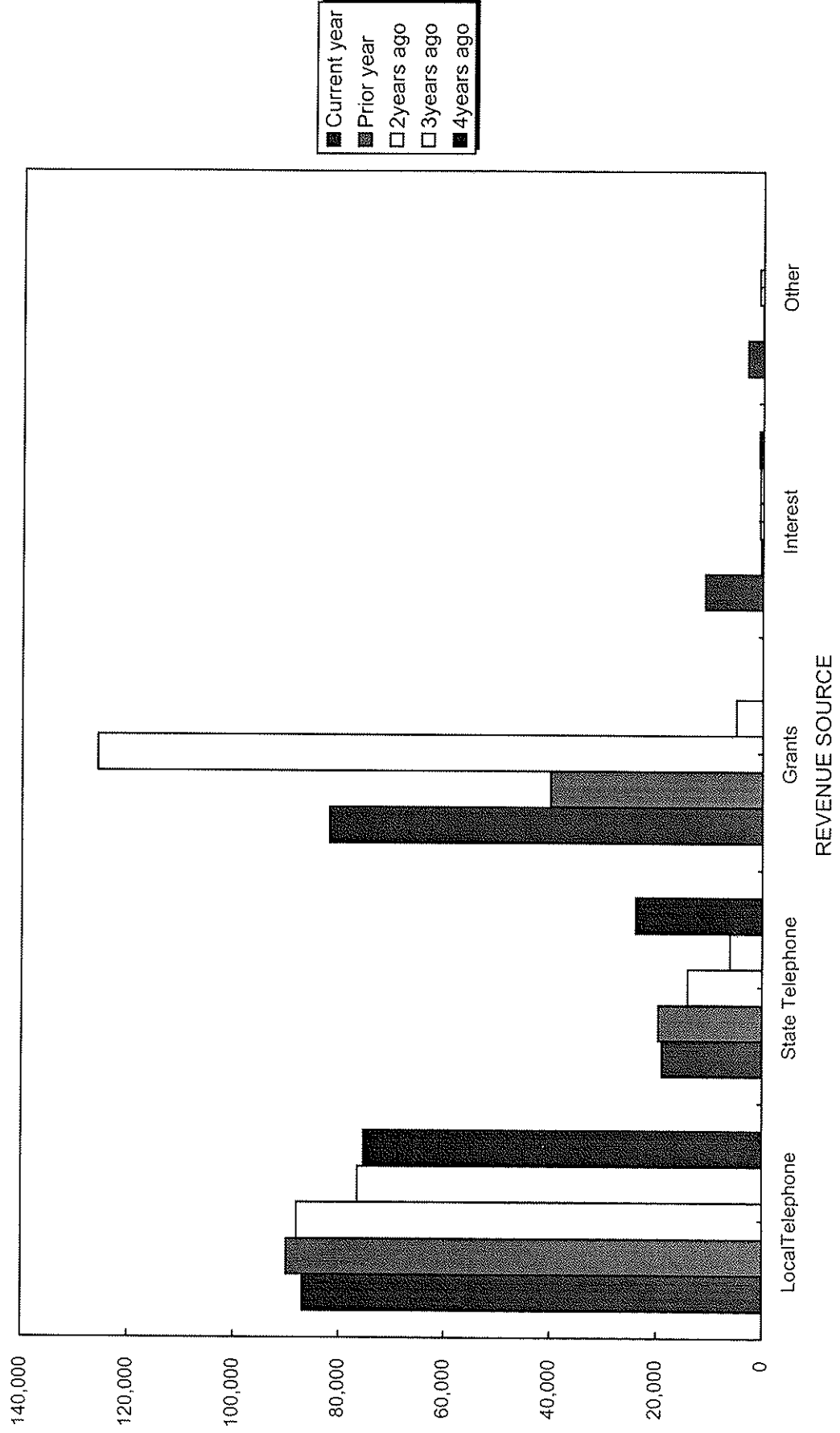
Additional information on the Perry County Emergency Communications District's capital assets can be found in the notes to the financial statements section of this report.

## Requests for Information

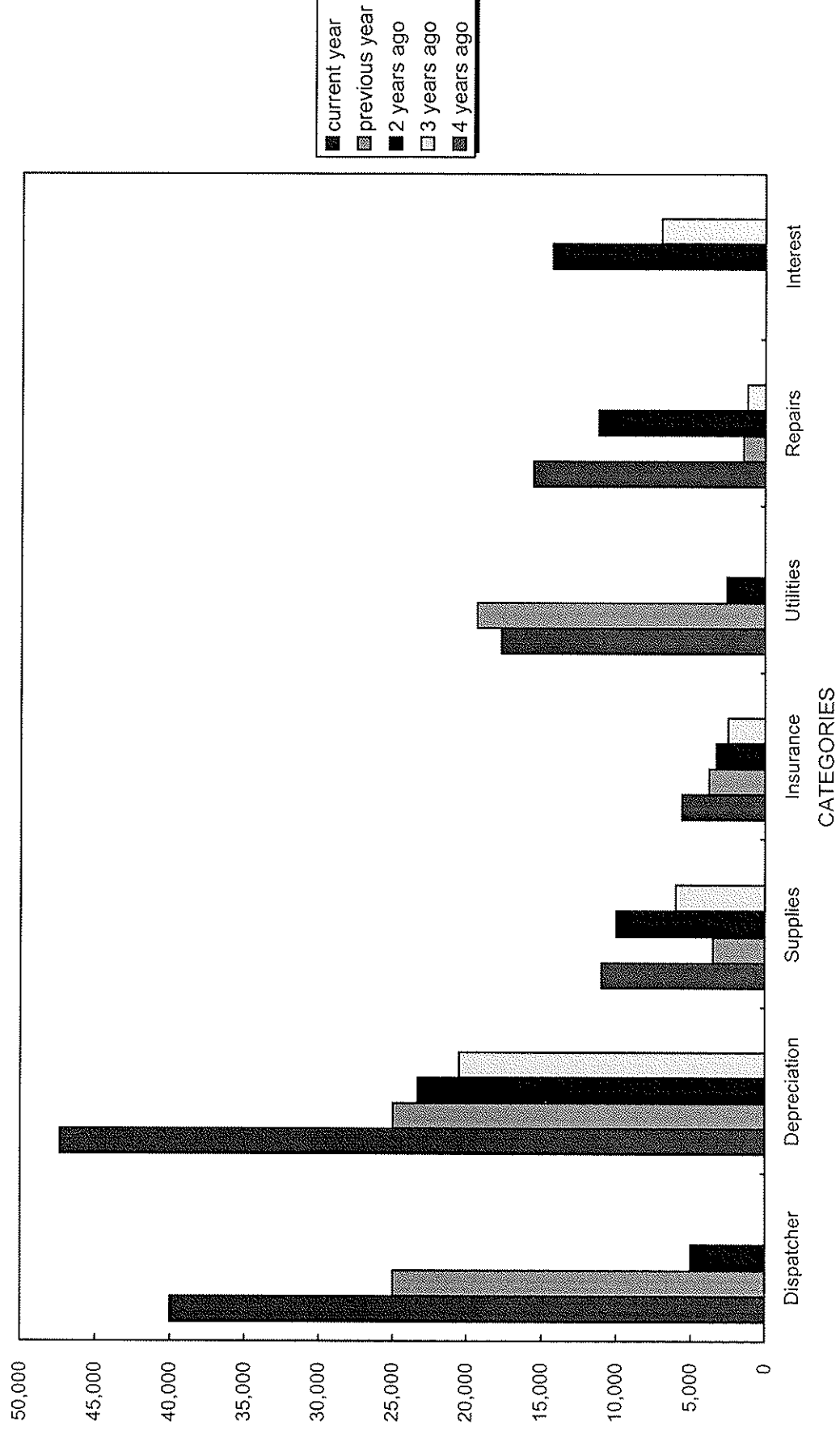
This financial report is designed to provide a general overview of the District's finances for all those with an interest in the District's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

Cynthia Mercer  
Perry County Emergency Communications District

# PERRY COUNTY 911 GOVERNMENTAL FUND REVENUES



# PERRY COUNTY 911 GOVERNMENTAL FUND EXPENDITURES



# PERRY COUNTY EMERGENCY COMMUNICATIONS DISTRICT

## Statement of Net Assets

June 30, 2009

<u>Assets</u>	<u>Account Number</u>	
Current Assets:		
Cash and cash equivalents	1001	\$113,259
Certificate of deposits	1001	299,631
Accounts receivable	1004	25,008
Total Current Assets		<u>437,898</u>
Capital Assets:		
Communication equipment	1308	379,113
Vehicles	1310	20,000
Less accumulated depreciation - comm. equip.	1309	(255,770)
Less accumulated depreciation - vehicles	1311	(12,000)
Total Capital Assets, Net		<u>131,343</u>
 Total Assets		 <u><u>\$569,241</u></u>
 <u>Liabilities and Fund Equity</u>		
Current Liabilities		
Accounts payable	2001	1,044
Total Current Liabilities		<u>1,044</u>
Net Assets:		
Unrestricted	2320	436,854
Invested in capital assets	2301	131,343
Total Net assets		<u>568,197</u>

The accompanying notes are an integral part of these financial statements.

# PERRY COUNTY EMERGENCY COMMUNICATIONS DISTRICT

## Statement of Revenues, Expenses and Changes in Net Assets

For the Year Ended June 30, 2009

	Account Number	
Operating Revenues:		
Emergency Telephone Service Charge	3001	\$86,906
Operating Grants -TECB - Operational Funding	3004	72,215
State Emergency Communications Board Wireless Charge	3002	18,768
Total Operating Revenues		<u>177,889</u>
Operating Expenses:		
Dispatchers	4003	40,000
Depreciation	4500	47,339
Supplies	4301	11,619
Insurance	4409	5,756
Professional services	4203	1,375
Training	4418	1,411
Utilities	4307	17,720
Repair and maintenance	4232	15,580
Total Operating Expenses		<u>140,800</u>
Operating income (loss)		<u>37,089</u>
Nonoperating Revenues (Expenses):		
Other income	5009	3,194
Interest income	5002	10,779
Total Nonoperating Revenues (Expenses)		<u>13,973</u>
Grant Contributions		
Operating Grants -State - GIS	3005	10,000
Total Grant Contributions		<u>10,000</u>
Net change in net assets		61,062
Net assets, June 30, 2008		<u>507,135</u>
Net assets, June 30, 2009		<u><u>\$568,197</u></u>

The accompanying notes are an integral part of these financial statements.

PERRY COUNTY EMERGENCY COMMUNICATIONS DISTRICT

Statement of Cash Flows

For the Year Ending June 30, 2009

Cash Flows from Operating Activities:	
Cash received from customers	\$161,834
Cash paid to suppliers	<u>(90,267)</u>
Net Cash Provided by Operating Activities	<u>71,567</u>
Cash Flows from Capital and Related Financing Activities:	
Acquisition of capital assets	<u>(4,295)</u>
Net Cash Provided by Capital and Related Financing Activities	<u>(4,295)</u>
Cash Flows from Non-Capital and Related Financing Activities:	
Operating grants	<u>10,000</u>
Net Cash Provided by Non-Capital and Related Financing Activities	<u>10,000</u>
Cash Flows from Investing Activities:	
Redemption (purchase) of Certificate of deposit	(85,436)
Interest received	<u>10,779</u>
Net Cash From Investing Activities	<u>(74,657)</u>
Net Increase (decrease) in Cash	2,615
Cash and Cash Equivalents, June 30, 2008	<u>110,644</u>
Cash and Cash Equivalents, June 30, 2009	<u>\$113,259</u>

Reconciliation of Operating Income to Net Cash Provided by Operating Activities

Operating income (loss)	\$37,089
Adjustments to reconcile operating income to net cash provided by operating activities:	
Other income	3,194
Depreciation	47,339
Increase in accounts receivable	<u>(16,055)</u>
Net Cash Provided by Operating Activities	<u>\$71,567</u>

The accompanying notes are an integral part of these financial statements.

# **PERRY COUNTY EMERGENCY COMMUNICATIONS DISTRICT**

## **Notes to Financial Statements**

June 30, 2009

### **Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

#### Reporting Entity

Perry County Emergency Communications District ( the District) was created as a public corporation on November 8, 1998 under authority of the provisions of Chapter 867 of the Tennessee Public Acts of 1984, as approved by the voters of Perry County, Tennessee. The powers of the District are vested in and exercised by a majority of the members of the Board of Directors, who are appointed by the County . The Board consists of nine members. The District is considered a political subdivision and is exempt from Federal and State income taxes. The District is considered a component unit of Perry County. The County appoints the board of directors and the County Commission may adjust service fees and must approve bonded debt. As a result, the Perry County Commission indirectly imposes its will on the District.

#### Basis of Accounting

The accompanying financial statements of the District have been prepared on the accrual basis of accounting. Revenues are recognized when they are earned, and expenses are recognized when incurred. Expenditures are recognized in the accounting period in which the liability is incurred and is measurable.

The District applies all applicable GASB pronouncements as well as Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) Opinions; issued on or before November 30, 1989 unless those pronouncements conflict with or contradict GASB pronouncements. The District has elected not to apply FASB Statements and interpretations issued after November 30, 1989.

#### Cash and Cash Equivalents

The District considers all highly liquid debt instruments purchased with maturities of 60 days or less to be cash equivalents.

#### Supply Inventory

Supply inventory is valued at the lower of cost (first-in, first-out) or market. Inventory items are considered expenditures when used (consumption method).

#### Property, Plant and Equipment

Property, plant and equipment of the District is recorded at cost. Depreciation is computed over the estimated life of the assets using the straight-line method. The estimated life for property, plant and equipment in service is from 3 to 10 years. The District does capitalize interest incurred on construction projects.

#### Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Actual results could differ from those estimates.



# PERRY COUNTY EMERGENCY COMMUNICATIONS DISTRICT

## Notes to Financial Statements

June 30, 2009

### Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

#### Budgets and Budgetary Accounting

The District's annual budget is required by state law. The District's Board of Directors formally approve the budget. The budget is adopted on a basis consistent with generally accepted accounting principles. The District follows these procedures in establishing the budgetary data reflected in the financial statements:

- a. Formal budgets are adopted and approved by Board vote on an annual basis. These budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).
- b. The Board approves total budget appropriations by line item only. The Board is authorized to transfer budget amounts between line items within each line item; however, any revisions that alter the total appropriations of any fund must be approved by vote of the Board.
- c. The budget amounts shown in the financial statements are the final authorized amounts as amended during the year.

### Note 2 - CASH AND CERTIFICATES OF DEPOSIT

The District is authorized to invest funds in financial institutions and direct obligations of the Federal Government. During the year, the District invested funds that were not immediately needed in deposit accounts. Deposits in financial institutions are required by State Statute to be secured and collateralized by the institutions. The District has deposit policies to minimize custodial credit risks. The collateral must meet certain requirements and be deposited in an escrow account in a second bank for the benefit of the District and must total a minimum of 105% of the value of the deposits placed in the institutions less the amount protected by federal depository insurance. The District's deposits with financial institutions are fully insured or collateralized by securities held in the government's name.

### Note 3 - CAPITAL ASSETS

A summary of changes in capital assets in service is as follows:

	Balance 6-30-08	Additions	Disposals	Balance 6-30-09
Vehicles	20,000	-	-	20,000
Equipment	<u>374,818</u>	<u>4,295</u>	<u>-</u>	<u>379,113</u>
	394,818	4,295	-	399,113
Less accumulated depreciation	<u>(220,432)</u>			<u>(267,770)</u>
Utility plant - net	<u>\$174,386</u>			<u>131,343</u>

The accumulated depreciation for the communication equipment is \$255,770 and for the vehicles is \$12,000. Depreciation expense for the year was \$47,339 (\$43,339 communications equipment and vehicles \$4,000).

# **PERRY COUNTY EMERGENCY COMMUNICATIONS DISTRICT**

## **Notes to Financial Statements**

June 30, 2009

### **Note 4 - RISK MANAGEMENT**

The District is exposed to various risks of loss related to torts: theft of, damage to, and destruction of assets: errors and omissions, and natural disasters. The District purchases commercial financial bonded insurance for its Treasurer and Chairman. For all other risks, the District purchases commercial insurance. There have been no claims during the last three years.

### **Note 5 - RELATED PARTY TRANSACTIONS**

The District receives office space for its operations from Perry County. The Perry County Emergency Communications District is a component unit of Perry County. The value of the space is not considered material to the financial statements and is not recorded in these financial statements.

## **SUPPLEMENTAL INFORMATION**

**Financial schedules are used to demonstrate finance related legal and contractual compliance, provide details of data summarized in the financial statements and present other information deemed useful.**

**PERRY COUNTY EMERGENCY COMMUNICATIONS DISTRICT**

**Schedule of Revenues and Expenses  
Budget and Actual**

**For the Year Ended June 30, 2009**

		<u>Budget</u>	<u>Actual</u>	<u>Favorable (Unfavorable) Variance</u>
Operating Revenues:	<u>Number</u>			
Emergency Telephone Service Charge	3001	\$85,000	\$86,906	\$1,906
Operating Grants -TECB - Operational Funding	3004	87,755	72,215	(15,540)
State Emergency Communications Board Wireless Charge	3002	16,000	18,768	2,768
Total Operating Revenues		<u>188,755</u>	<u>177,889</u>	<u>(10,866)</u>
Operating Expenses:				
Dispatchers	4003	40,000	40,000	0
Depreciation	4500	47,532	47,339	193
Supplies	4301	38,050	11,619	26,431
Insurance	4409	8,500	5,756	2,744
Professional services	4203	30,000	1,375	28,625
Training	4418	3,700	1,411	2,289
Utilities	4307	11,900	17,720	(5,820)
Repair and maintenance	4232	28,328	15,580	12,748
Total Operating Expenses		<u>208,010</u>	<u>140,800</u>	<u>67,210</u>
Operating income (loss)		<u>(19,255)</u>	<u>37,089</u>	<u>(78,076)</u>
Nonoperating Revenues (Expenses):				
Other income	5009	840	3,194	2,354
Interest income	5002	300	10,779	10,479
Total Nonoperating Revenues (Expenses)		<u>1,140</u>	<u>13,973</u>	<u>12,833</u>
Capital Contributions:				
Operating Grants -State GIS	3005	0	10,000	10,000
Total Capital Contributions		<u>0</u>	<u>10,000</u>	<u>10,000</u>
Net change in net assets		<u>(18,115)</u>	<u>61,062</u>	<u>79,177</u>

**PERRY COUNTY EMERGENCY COMMUNICATIONS DISTRICT**

**Schedule of Monthly Rates in Effect**

**June 30, 2009**

<u>Type of Customer</u>	<u>Rate</u>
Residential customers	1.50
Business customers	3.00

**PERRY COUNTY EMERGENCY COMMUNICATIONS DISTRICT**

**Schedule of Number and Classification of Customers**

**June 30, 2009**

Tennessee Telephone Company

Residential customers	3,399
Business customers	818

# **PERRY COUNTY EMERGENCY COMMUNICATIONS DISTRICT**

## **Schedule of Information of the Perry County Emergency Communications District**

**June 30, 2009**

Number of public safety answering points:	2
Addresses of these locations:	Perry County Courthouse Linden, TN. 37096  North Mill Street Linden, TN. 37096
System used - - including database:	System -NEC KSU ELECTRA  Database - InterAct
Chairman :	Gary Rogers Linden, TN. (p)931-589-3900 (f)931-589-6401
Director:	Cynthia Mercer Linden, TN. (p)931-589-3911 (f)931-589-6401
Address for Chairman and Director	P. O. Box 724 Linden, TN. 37096
Telephone numbers:	931-589-3900 931-589-6404 931-589-6405

PERRY COUNTY EMERGENCY COMMUNICATIONS DISTRICT

Schedule of State Financial Assistance

For the Year Ended June 30, 2009

<u>State Grant Number</u>	<u>Program Name</u>	<u>Grantor Agency</u>	<u>Receivable (Deferred) Balance July 1, 2008</u>	<u>Cash Receipts</u>	<u>Other Receipts</u>	<u>Cash Expenditures</u>	<u>Receivable (Deferred) Balance June 30, 2009</u>
N/A	GIS	State of Tennessee	<u>\$0</u>	<u>10,000</u>	<u>\$0</u>	<u>10,000</u>	<u>0</u>
Totals			<u>0</u>	<u>10,000</u>	<u>0</u>	<u>10,000</u>	<u>0</u>

State Program:



**PERRY COUNTY EMERGENCY COMMUNICATIONS DISTRICT**

**Schedule of Insurance Coverage**

**June 30, 2009**

<u>Type of Coverage</u>	<u>Detail Coverage</u>
Liability	\$ 3,000,000 maximum
Property	Various
Surety	Chairman Director

**COMPLIANCE AND  
INTERNAL CONTROL**

**JOHN R. POOLE, CPA**  
**CERTIFIED PUBLIC ACCOUNTANT**

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134 NORTHLAKE DRIVE  
HENDERSONVILLE, TN 37075

(615) 822-4177

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE AND OTHER MATTERS AND ON  
INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF  
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT  
AUDITING STANDARDS**

Board of Directors  
Perry County Emergency Communications District  
Linden, Tennessee

I have audited the financial statements (as listed in the table of contents) of Perry County Emergency Communications District as of and for the year ended June 30, 2009, and have issued my report thereon dated July 31, 2009. I conducted the audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Internal Control Over Financial Reporting**

In planning and performing the audit, I considered the Perry County Emergency Communications District's internal control over financial reporting as a basis for designing the auditing procedures for the purpose of expressing an opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Perry County Emergency Communications District's internal control over financial reporting. Accordingly, I do not express an opinion on the effectiveness of the District's internal control over financial reporting.

My consideration of the internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, I identified a deficiency in internal control over financial reporting that I consider to be a significant deficiency.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the organization's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles, such that there is more than a remote likelihood that a misstatement of the organization's financial statements that is more than inconsequential will not be prevented or detected by the organization's internal control.

The significant deficiency is as follows:

**Prior Year:**

**2001-1 Separation of Duties**

Due to the limited number of personnel employed by the District, several functions, which ideally should be performed by different individuals, are regularly performed by one person. I recommend that the District strengthen its internal control in cash receipts, cash disbursements, and reconciliation of cash.

**Disposition:**

Due to the size of the office, a complete separation of duties is not possible. However we are continuing to monitor office responsibilities and segregate duties as needed.

Management Response:

Due to the size of the office, a complete separation of duties is not possible, however we are continuing to monitor office responsibilities.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the organization's internal control.

My consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. I believe that the significant deficiency described above is a material weakness.

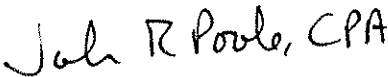
Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Perry County Emergency Communications District's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of the financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of the audit and, accordingly, I do not express such an opinion. The results of the tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Perry County Emergency Communications District's response to the finding identified in the audit is described above. I did not audit the Management Response and, accordingly, I express no opinion on it.

I noted certain matters that I reported to management of the Perry County Emergency Communications District in a separate letter dated July 31, 2009.

This report is intended solely for the information and use of the audit committee, management, and State Comptrollers Office and is not intended to be and should not be used by anyone other than these specified parties.

John R. Poole, CPA

July 31, 2009